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FIELD OF THE INVENTION

[0003] The present invention relates generally to a classification system and more particularly to a method and system for classifying tangible art objects.

BACKGROUND OF THE INVENTION

[0004] Classification systems such as the Dewey Decimal System and the Library of Congress classification system have been in existence for some time. To classify each item, each work is divided into separate categories and assigned an alpha-numeric identifier. This allows each work to be shelved in a predetermined location such that the status of each work may be readily determined.

[0005] Other products have classified an item so that it may be compared to similar items such that its value may be estimated. Products such as the Kelly Blue Book have been used to assess the value of mass produced items, such as automobiles, using input data such as model year, body condition, and mileage.

[0006] The prior art has attempted to apply the above methodologies to tangible assets such as art objects, but with little economic or statistical success. The materials, method of construction, authenticity, condition, and provenance seen in an original, one-of-a-kind art object cannot be valued with a reasonable degree of certainty with non-subjective factors alone. Art objects rely to a greater extent upon subjective assessment by scholars, critics, connoisseurs, and curators such that a valuation of an art object must take into account not only current subjective data but also data that spans years into the past.

[0007] The present invention allows for the classification of art objects in a manner that provides stability to the valuation process and to economic and statistical consistency. The present invention is designed to classify art objects using a comprehensive asset class structure premised on curatorial and operational requirements.

SUMMARY OF THE INVENTION

[0008] Accordingly, the present invention is a new and innovative manner of classifying tangible assets that can, in addition, provide access to a plurality of independently moving market trajectories within the art economy. The present invention provides a definitive reporting standard for measuring and tracking the marketplace performance of fine art, decorative art, antiquities, other discrete disciplines, and collectibles. This allows collectors, dealers, auctioneers, bankers, asset managers, and legal advisors assess financial risk and to manage and track the value and cross-generational transfer of art objects.

[0009] The present invention utilizes a unique classification code which divides tangible art objects such as fine art, decorative art, antiquities, other discrete disciplines, and collectibles into order, family, genus, species, and sub-species categories. Categories assigned to a given asset may then be cross-referenced with relevant auction house data, including art objects that were offered for sale but failed to find buyers, to define market trajectories and help determine fair market value. In one embodiment, relevant asset data may be weighted for risk against pre-sale estimates, venue performance and other risk factors as well as discounted to diminish the past effects of extreme or irrational behavior on the part of buyers on the auction floor.

[0010] The present invention allows tangible art objects to be classified into a series of categories and assigned a series of identifiers such that the asset may be cross referenced with relevant data stored upon a database to track worldwide market performance of specific types of categorized assets. Historic market performance patterns may be graphed and cross-referenced to well known standards such as the Consumer Price Index (CPI) and the Standard & Poor's 500 (S&P 500), among others, to ensure statistical reliability.

[0011] By utilizing a uniform and statistically sound method of classifying art objects, the present invention not only provides financial institutions with the consistent taxonomy they require for conducting rigorous risk analysis for lending purposes, it also provides a standard nomenclature for classifying art objects. Specifically, the present invention allows the value of an art object to be determined with greater accuracy such that lenders may set advance rates more precisely, thus decreasing risk to financial intermediaries.

BRIEF DESCRIPTION OF THE DRAWINGS

[0012] Fig. 1 illustrates an embodiment of the present invention utilizing a computer system.

[0013] Fig. 2A illustrates the fine art asset category of one embodiment of the present invention.

[0014] Fig. 2B illustrates the decorative art asset category of one embodiment of the present invention.

[0015] Fig. 2C illustrates the antiquities, other discrete disciplines and collectibles asset categories of one embodiment of the present invention.

[0016] Figs. 3A – 3M are flowchart diagrams illustrating one embodiment of the tangible asset classification process of the present invention.

DETAILED DESCRIPTION OF THE INVENTION

[0017] The present invention is herein described as a method for classifying tangible assets and as a computer system for classifying tangible assets.

[0018] Referring to Fig. 1 , the classification of tangible assets may be instituted by any suitable electronic device such as a computer system (10). In one embodiment, the computer system of the present invention has at least one database (12) for storing information for each given asset and for storing information concerning each category of assets. The term "database" is used throughout this document to describe anything used to collect and/or organize data. This

includes, but is not limited to, a computer, card catalog, hard copy file, electronic file, email

storage device, and/or electronic memory device. In one embodiment, the database (12) is

searchable by a processing unit (14) coupled to the database (12). The database being capable of

storing asset information describing a plurality of assets according to one or more identifiers.

Asset information may be entered into the computer system (10) using an input device (not

shown) such as a mouse or keyboard. Asset information may be transmitted through local or

wide area networks (15) or the internet (15) so that it may be readily updated and available to

remote users (17).

[0019] Referring to Figs. 1, 2A, 2B and 2C, the processing unit (14) of the present invention is

capable of establishing one or more order asset categories (16) for use in classifying tangible

assets. In one embodiment, these categories (16) include fine art, decorative art, antiquities,

other discrete disciplines and collectibles. Once order categories have been established, the

processing unit (14) of the present invention is capable of utilizing input data regarding a given

asset to classify the asset into an order category (16). A first identifier (26) is assigned to the

given asset according to which order category best describes the given asset. The present

invention is capable of searching the database (12) of the present invention utilizing the first

identifier assigned to the given asset to retrieve asset information for assets having the same first

identifier (26).

[0020] To enhance the searching abilities of the present invention, the processing unit (14) is

capable of establishing family, genus, species and sub-species categories (18, 20, 22 and 24,

respectively) for use in further classifying the given asset as described further below. The

processing unit (14) of the present invention identifies each category with an identifier. In one

embodiment, a first identifier (26) is used for each order category (16), a second identifier (28) is

used for each family category (18), a third identifier (30) is used for each genus category (20), a

fourth identifier (32) is used for each species category (22), and a fifth identifier (34) is used for

each sub-species category (24). These identifiers may be letters, numbers, or any other textual or

graphical information. Once a given asset is classified into each applicable category, the first,

second, third, fourth, and fifth identifiers (26, 28, 30, 32 and 34, respectively) may be combined

to form an identifier code, as described further below. The identifier code provides a common

reference such that information gathered for assets having the same identifiers may be quickly

and easily compared with the given asset. Specifically, the present invention allows the value of

a given art object to be evaluated using stored information describing other assets having the

same identifier code. The present invention establishes a consistent framework to allow data to

be sorted and compiled so that lenders may assess the risk of an art object and set advance rates

more precisely, thus decreasing risk and enhancing asset value.

[0021] Referring to Figs. 3A – 3M, the present invention may also be described as a method for

classifying tangible assets. Figs. 3A – 3M illustrate one embodiment of the tangible asset

classification process of the present invention.

[0022] Referring to Fig. 3A, one or more order asset categories (16) are established by the

present invention. Specifically, utilizing one or more features of a given asset to be examined,

the asset is classified according to which order category best describes the asset. Third, the asset

is assigned a first identifier (26). In one embodiment, the first identifier (26) assigned to the

given asset is stored in a database (12). The term "database" is used throughout this document to describe anything used to collect and/or organize data. This includes, but is not limited to, a computer, card catalog, hardcopy file, electronic file, email storage device and/or electronic memory device.

[0023] Once the asset has been classified according to one of the order asset categories and a first identifier has been assigned, the present invention is capable of performing searches of the database (12) for stored asset information utilizing the assigned first identifier. This asset information may then be used to cross reference the given asset with other assets such that the asset may be valued. This asset information may be transmitted through a computer network so that such comparisons may be made worldwide.

[0024] Referring to Figs. 2A, 2B, 2C and 3A, in one embodiment of the present invention, the order categories are Fine Art, Decorative Art, Antiquities, Other Discrete Disciplines, and Collectibles. In one embodiment, "001" is used as the first identifier for the Fine Art order category, "002" is used as the first identifier for the Decorative Art category, "003" is used as the first identifier for the Antiquities category, "004" is used as the first identifier for the Other Discrete Disciplines category, and "005" is used as the first identifier for the Collectibles category.

[0025] In one embodiment, one or more family categories (18) may then be established such that the given asset may be further classified. It is then determined, based upon one or more features

of the given asset, what family category (18) describes the given asset. Once Family categories have been established, the given asset is assigned a second identifier (28).

[0026] Referring to Figs 2A and 3A, in one embodiment, the Fine Art order category includes four family categories each having a second identifier. In one embodiment, these categories include Paintings having a second identifier of "001", Sculpture "002", Works on Paper "003", and Tapestries "004". To illustrate, the identifier code of a given asset determined to have a Fine Art order category and a Tapestries family category would be designated by first and second identifiers of "001.004".

[0027] Referring to Figs 2B and 3C, in one embodiment, the Decorative Art order category includes five family categories each having a second identifier. These categories include Furniture "001", Decorations "002", Couture "003", Ephemera "004", and Textiles "005". To illustrate, the identifier code of a given asset determined to have a Decorative Art order category and a Textiles family category would be designated by "002.005".

[0028] Referring to Figs 2C and 3E, in one embodiment, the Antiquities order category includes seven family categories each having a second identifier. These categories include Ancient Near East "001", Egyptian "002", Etruscan, Roman "003", Early Church "004", Greek & Hellenistic "005", Pre-Columbian "006", and Pre-History "007". To illustrate, the identifier code of a given asset determined to have an Antiquities order category and an Egyptian family category would be designated by "003.002".

[0029] Referring to Figs 2C and 3F, in one embodiment, the Other Discrete Disciplines order category includes nine family categories each having a second identifier. These categories include Arms & Armor "001", Asian Art "002", Books, Bindings, Manuscripts, Signatures, & Maps "003", Carpets "004", Clocks, Timepieces and Scientific Instruments "005", Contemporary Forms in Media & Action "006", Islamic Art "007", Judaica "008", and Tribal Art "009". To illustrate, the identifier code of a given asset determined to have an Other Discrete Disciplines order category and an Carpets family category would be designated by "004.004".

[0030] Referring to Figs 2C and 3G, in one embodiment, the Collectibles order category includes eight family categories each having a second identifier. These categories include Animation & Comic Art "001", Coins "002", Geophysical & Mineral "003", Sports Memorabilia "004", Stamps"005", Toys "006", and Vintage Cars "007", and Wines "008". To illustrate, the identifier code of a given asset determined to have a Collectibles order category and a Wines family category would be designated by "005.008".

[0031] Once the asset has been classified according to an order and family asset category and first and second identifiers have been assigned, the present invention may store same within the database (12). The database (12) may then be searched using the first and second identifiers in order to retrieve asset information stored therein. This asset information may then be utilized to value the given asset, as described above.

[0032] In one embodiment, one or more genus categories (20) may then be established such that the given asset may be further classified. It is then determined, based upon one or more features of the given asset, what genus category (20) describes the given asset. Once genus categories have been established, the given asset is assigned a third identifier (30).

[0033] Referring to Figs 2A, 3B and 3K, in one embodiment, the Paintings family category includes twelve genus categories each having a third identifier. These categories include American through 19th century "001", English through 19th century "002", French through 19th century "003", Other Continental through 19th century "004", Contemporary "005", Modernist 20th century Masterworks "006", Illuminations & Incunabula "007", Latin America "008", Mannerist "009", Medieval "010", Old Master "011", and Renaissance "012". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Paintings family category, and a Mannerist genus category would be designated by "001.001.009".

[0034] Referring to Figs 2A and 3H, in one embodiment, the Sculpture family category includes nine genus categories each having a third identifier. These categories include American through 19th century "001", English through 19th century "002", French through 19th century "003", Other Continental through 19th century "004", Contemporary "005", Modernist 20th century Masterworks "006", Late Roman, Gothic & Medieval "007", Renaissance "008", and Garden Sculpture "009". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Sculpture family category, and a Garden Sculpture genus category would be designated by "001.002.009".

[0035] Referring to Figs 2A and 3I, in one embodiment, the Works on Paper family category includes six genus categories each having a third identifier. These categories include Drawings "001", Watercolors "002", Photographs "003", The other print media "004", Contemporary "005", and Modernist 20th century Masterworks "006". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Works on Paper family category, and a photographs genus category would be designated by first, second, and third identifiers of "001.003.003".

[0036] Referring to Figs 2B and 3C, in one embodiment, the Furniture family category within the Decorative Art order category includes five genus categories each having a third identifier. These categories include American through 19th century "001", English through 19th century "002", French through 19th century "003", Other Continental through 19th century "004", and Modernist 20th century Masterworks "005". To illustrate, the identifier code of a given asset determined to have a Decorative Art order category, a Furniture family category, and a Other Continental through 19th century genus category would be designated by "002.001.004".

[0037] Referring to Figs 2B, 3C and 3L, in one embodiment, the Decorations family category within the Decorative Art order category includes five genus categories each having a third identifier. These categories include American through 19th century "001", English through 19th century "002", French through 19th century "003", Other Continental through 19th century "004", and Modernist 20th century Masterworks "005". To illustrate, the identifier code of a given asset determined to have a Decorative Art order category, a Decorations family category, and an Other Continental through 19th century genus category would be designated by "002.002.004".

[0038] Referring to Figs 2B, 3C and 3M, in one embodiment, the Couture family category within the Decorative Art order category includes three genus categories each having a third identifier. These categories include Costumes "001", Accessories "002", and Jewelry: Precious and Other "003". To illustrate, the identifier code of a given asset determined to have a Decorative Art order category, a Couture family category, and a Costumes genus category would be designated by "002.003.001".

[0039] Referring to Figs 2C and 3E, in one embodiment, the Ancient Near East, Egyptian, Etruscan / Roman, Early Church or Greek & Hellenistic family categories within the Antiquities order category include three genus categories each having a third identifier. These categories include Fine Art "001", Coinage "002", and Articles of Daily Life "003". To illustrate, the identifier code of a given asset determined to have an Antiquities order category, an Egyptian family category, and a Fine Art genus category would be designated by "003.002.001".

[0040] In one embodiment, the Pre-Columbian family category within the Antiquities order category include two genus categories each having a third identifier. These categories include Fine Art "001" and Articles of Daily Life "002". To illustrate, the identifier code of a given asset determined to have an Antiquities order category, a Pre-Columbian family category, and a Fine Art genus category would be designated by "003.006.001".

[0041] Referring to Figs 2C and 3F, in one embodiment, the Asian Art family category within the Other Discrete Disciplines order category includes five genus categories each having a third

identifier. These categories include Chinese "001", Japanese "002", Korean "003", Indian "004", and Central & Southeast Asian "005". To illustrate, the identifier code of a given asset determined to have a Decorative Art order category, a Couture family category, and a Costumes genus category would be designated by "002.003.001".

[0042] Referring to Figs 2C and 3F, in one embodiment, the Tribal Art family category within the Other Discrete Disciplines order category includes three genus categories each having a third identifier. These categories include American Indian Art "001", African Art "002", and Oceanic Art "003". To illustrate, the identifier code of a given asset determined to have an Other Discrete Disciplines order category, a Tribal Art family category, and a African Art genus category would be designated by "004.008.002".

[0043] Once the asset has been classified according to an order, family, and genus asset category and first, second and third identifiers have been assigned, the present invention may store same within the database (12). The database (12) may then be searched using the first, second and third identifiers in order to retrieve asset information stored therein. This asset information may then be utilized to value the given asset, as described above.

[0044] In one embodiment, one or more species categories (22) may then be established such that the given asset may be further classified. It is then determined, based upon one or more features of the given asset, what species category (22) describes the given asset. Once species categories (22) have been established, the given asset is assigned a fourth identifier (32).

[0045] Referring to Figs 2A, 3A, 3B and 3K, in one embodiment, the American through 19th century genus category having a Paintings family category includes three species categories each having a fourth identifier. These categories include American School "001", Itinerant Painters "002", and Impressionists "003". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Paintings family category, an American through 19th century genus category, and an American School species category would be designated by "001.001.001.001".

[0046] In one embodiment, the English through 19th century genus category having a Paintings family category includes one species category having a fourth identifier. This category includes Victorian "001". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Paintings family category, an English through 19th century genus category, and a Victorian species category would be designated by "001.001.002.001".

[0047] In one embodiment, the French through 19th century genus category having a Paintings family category includes two species categories each having a fourth identifier. These categories include Barbizon School "001" and Impressionists "002". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Paintings family category, a French through 19th century genus category, and an Impressionists species category would be designated by "001.001.003.002".

[0048] In one embodiment, the Modernist 20th century Masterworks genus category having a Paintings family category includes one species category having a fourth identifier. This category

- 15 -

includes American "001". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Paintings family category, a Modernist 20th century Masterworks genus category, and an American species category would be designated by "001.001.006.001".

[0049] Referring to Figs 2A, 3A, 3B and 3H, in one embodiment, the French through 19th century genus category having a Sculpture family category includes one species category having a fourth identifier. This category includes 19th century "001". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Sculpture family category, a French through 19th century genus category, and a 19th century species category would be designated by "001.002.003.001".

[0050] Referring to Figs 2A, 3A, 3B and 3I, in one embodiment, the Drawings genus category having a Works on Paper family category includes two species categories each having a fourth identifier. These categories include Old Master "001" and Other "002". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Works on Paper family category, Drawings genus category, and an Old Master species category would be designated by "001.003.001.001".

[0051] Referring to Figs 2B, 3A and 3C, in one embodiment, the American through 19th century, English through 19th century, and French through 19th century genus categories located within the Furniture family category each include one species category having a fourth identifier. This category includes Seat & Case "001". To illustrate, the identifier code of a given asset determined to have a Decorative Art order category, a Furniture family category, an American

- 16 -

through 19th century genus category, and a Seat & Case species category would be designated by "002.001.001.001".

[0052] In one embodiment, the American through 19th century, English through 19th century, French through 19th century, and Other Continental through 19th century genus categories located within the Decorations family category each include five species categories each having a fourth identifier. These categories include Ceramic "001", Metalwork: Precious & Other "002", Stonework "003", Glass "004" and Wood "005". To illustrate, the identifier code of a given asset determined to have a Decorative Art order category, a Decorations family category, an American through 19th century genus category, and a Wood species category would be designated by "002.002.001.005".

[0053] Once the asset has been classified according to an order, family, genus and species asset category and first, second, third and fourth identifiers have been assigned, the present invention may store same within the database (12). The database (12) may then be searched using the first, second, third and fourth identifiers in order to retrieve asset information stored therein. This asset information may then be utilized to value the given asset, as described above.

[0054] In one embodiment, one or more sub-species categories (24) may then be established such that the given asset may be further classified. It is then determined, based upon one or more features of the given asset, what sub-species category (24) describes the given asset. Once sub-species categories have been established, the given asset is assigned a fifth identifier (34).

[0055] Referring to Figs 2A, 3A, 3B and 3K, in one embodiment, the American School species category includes two sub-species categories each having a fifth identifier. These categories include 1850 through 1900, designated by "001" and Hudson River School "002". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Paintings family category, an American through 19th Century genus category, an American School species category and a Hudson River School sub-species category would be designated by "001.001.001.001.002".

[0056] Referring to Figs 2A, 3A, 3B and 3H, in one embodiment, the 19th century species category includes two sub-species categories each having a fifth identifier. These categories include Metalwork "001" and Stonework "002". To illustrate, the identifier code of a given asset determined to have a Fine Art order category, a Sculpture family category, an French through 19th century genus category, a 19th century species category and a Metalwork sub-species category would be designated by "001.002.003.001.001".

[0057] Referring to Figs 2B, 3A, 3C and 3L, in one embodiment, the Seat & Case species category located within either the American through 19th century, English through 19th century, or French through 19th century genus categories each include one sub-species category having a fifth identifier. This category includes 1750 through 1800, designated by "001" and Hudson River School "002". To illustrate, the identifier code of a given asset determined to have a Decorative Art order category, a Furniture family category, an American through 19th century genus category, a Seat & Case species category and a 1750 through 1800 sub-species category would be designated by "002.001.001.001.001".

[0058] In one embodiment, the identifier code assigned to a given asset may be compiled by a database for storage, and/or used to conduct comparisons between the given asset and other assets having the same identifier codes. This is done using valuation information that may be stored in the database. The valuation information may be cross referenced with the identifier code to determine the fair market value of the given asset. Asset information may be transmitted through local or wide area networks or the internet so that information may be readily available anywhere.

[0059] In another embodiment, the present invention allows for the classification of tangible assets by following a few simple steps. First, a classification hierarchy (100) having a plurality of categories is provided. Second, at least one given asset is classified by generating output that indicates an applicable order category (16) for the given asset.

[0060] The given asset may be further classified by generating output that indicates the applicable family (18), genus, (20), species (22), and sub-species category (24) for the given asset. Each applicable order, family, genus, species, and sub-species category (16, 18, 20, 22 and 24, respectively) may then be assigned first, second, third, fourth, and fifth identifiers (26, 28, 30, 32 and 34, respectively). These assigned identifiers may be combined to form an identifier code which may be used to identify and compare assets of the same classifications.

[0061] The present invention provides even greater accuracy to the classification process by providing an additional one hundred separate and distinct classifications that may be combined

with the identifier code. Specifically, the present invention provides a scale (76) of 1 to 100 on the left hand side of the classification code, as illustrated in Figure 2. This additional identifier may be combined with the first, second, third, fourth and fifth identifiers (26, 28, 30, 32 and 34, respectively) of the identifier code to provide further classification of the given asset. In one embodiment, the identifier code of a given asset determined to have a Fine Art order category (16), a Sculpture family category (18), and a Garden Sculpture genus category (20) would be designated by "001.13.002.009", "13" being the additional identifier in the identifier code.

[0062] Although the invention has been described with reference to a specific embodiment, this description is not meant to be construed in a limiting sense. On the contrary, various modifications of the disclosed embodiments will become apparent to those skilled in the art upon reference to the description of the invention. It is therefore contemplated that the appended claims will cover such modifications, alternatives, and equivalents that fall within the true spirit and scope of the invention.

ABSTRACT OF THE DISCLOSURE

[0063] The present invention is a system and method of classifying tangible assets. Tangible assets, such as art objects, are classified using a unique classification scheme which divides tangible art objects such as fine art, decorative art, antiquities, other discrete disciplines, and collectibles into order, family, genus, species, and sub-species asset categories. The present invention allows tangible art objects to be classified into asset categories and assigned a series of identifiers such that the asset may be cross referenced with relevant data to track worldwide

- 20 -